

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Competitive Product Prices
Global Expedited Package Services 6 (MC2016-149)
Negotiated Service Agreement

Docket No. CP2016-261

Public Representative Response to Motion for
Partial Reconsideration of Order No. 3488

(September 9, 2016)

I. BACKGROUND

The Public Representative hereby provides comments pursuant to Order No. 3496.¹ In that Order, the Commission requested comments from interested persons on the Postal Service's Motion for Partial Reconsideration of Order No. 3488.²

In Order No. 3488 the Commission approved the functionally equivalent GEPS 6 NSA, but found that revisions contained in a library reference constitute a change in analytical principle and directed the Postal Service to initiate a proceeding in a new docket to review the changes. Order No. 3488. The Postal Service argues that the revisions should be considered corrections of identified errors, and not be considered a change in analytical principle. Motion at 2. In its Motion the Postal Service provides a detailed explanation of the revisions includes in USPS-LR-CP2016-261/NP1. Motion at 4-10.

II. COMMENTS

The Postal Service's Motion provides a better explanation of the revisions made in USPS-LR-CP2016-261/N1 than it did in its original filing. Based on the Postal

¹ Order Setting Time to Respond to Motion for Partial Reconsideration, September 2, 2016 (Order No. 3496).

² Motion for Partial Reconsideration of Order No. 3488, September 1, 2016 (Motion).

Service's discussion in its Motion and review of the relevant library references it appears that the Postal Service is only making corrections to USPS-FY15-37, which is an input to USPS-FY15-NP2. The Postal Service explains that a coding error was identified, which incorrectly categorized mail as mixed mail, when the mail was actually identified as ISAL, IPA and Express Commercial Packages. Motion at 6-7. The revisions correct those coding errors. *Id.*

The Postal Service contends that it was unwilling to present financial models premised on FY 2015 ACR inputs generated by flawed program code. Motion at 3. The Public Representative shares the Postal Service's objective to use the most accurate data to evaluate competitive NSAs. The revisions discussed by the Postal Service are corrections that facilitate the intent of the data collection system design, which assigns costs to products. The corrections do not appear to be changes to analytical principles because the corrections conform to the intent of the system design.

The Public Representative has several concerns with making corrections to Annual Compliance Report (ACR) library references within a competitive NSA docket. First, competitive NSA dockets have very streamlined procedures to ensure NSAs are reviewed quickly and accurately. There is not sufficient time within a competitive NSA docket to review corrections to ACR library references or to ensure the corrections are only corrections and not changes in analytical principles.³ The review of functionally equivalent competitive NSAs should be limited to ensuring the NSA will meet the requirements of PAEA using input data from ACR library references and customer-specific data. Corrections to input data should be made in ACR dockets or rulemaking dockets.

Second, it is not clear from the Postal Service filing if USPS-LR-CP2016-261/NP1 is intended to replace portions of USPS-FY15-NP2 and USPS-FY15-37. If it is not intended to replace USPS-FY15-NP2 and USPS-FY15-37, then there will be two sets of input data available to the Postal Service when developing financial analyses for

³ When the Postal Service files a competitive NSA the Postal Service uses input data from ACR library references and NSA partner specific data to demonstrate that the NSA will meet the statutory requirements. The Commission allows for a 7-day comment period and typically issues its final order in less than 14 days.

NSAs.⁴ This may confuse future review of competitive NSAs until the Postal Service presumably corrects the library references in its FY 2016 ACR.

Finally, the Postal Service cites to Commission Order No. 104 and contends that it may correct an error with a brief explanation at the time that an annual compliance report is filed. Motion at 1-2. However, the Postal Service is not seeking to correct an error in an ACR docket; it is seeking to correct an ACR library reference in a functionally equivalent competitive NSA docket (CP docket). The Public Representative maintains that allowing the Postal Service to make these types of corrections within a functionally equivalent NSA docket does not promote transparency or provide an opportunity for meaningful comment. These types of corrections should be made through a rulemaking docket, or the Postal Service should make corrections to the actual library references in Docket No. ACR2015.

III. CONCLUSION

The Public Representative is mindful that these types of corrections may be complicated to resolve outside of an ACR docket. But, if these errors are identified, they should be resolved. It is commendable that the Postal Service is diligently ensuring that the most accurate data are being used to evaluate its NSAs. However, these corrections should be resolved in a docket where the corrections can be meaningfully evaluated.

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⁴ If USPS-FY15-NP2 and USPS-FY15-37 are not directly revised or corrected based on the information in USPS-LR-CP2016-261/NP1 it will not be clear what the prevailing input data is for future NSA financial analyses.